



State Auditor
Rebecca Otto

OFFICE OF THE STATE AUDITOR

E-Update

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1. Available: Summary Budget Reporting Forms for Cities & Counties
2. Training: OSA Annual Conference
3. Update: Status of 2011 Tax Tables
4. Released: Relevant Statutes Summary for Volunteer Relief Associations
5. Avoiding Pitfalls: Documentation of Accounting Policies and Procedures

1. Available: Summary Budget Reporting Forms for Cities & Counties

The Office of the State Auditor's 2011 Summary Budget Reporting Forms are now available for cities and counties. The forms can be accessed at:

<https://www.auditor.state.mn.us/safes/login.aspx>.

2. Training: OSA Annual Conference

The Office of the State Auditor is once again making professional training available to people working with local government finances. The OSA Annual Conference will be held on Wednesday, January 26, 2011 at the Clarion St. Paul Hotel and Convention Center in South St. Paul. Topics will include fraud and internal controls, legal compliance, ethics, and a GASB update, including Statements 51 (intangible assets), 53 (derivatives) and 54 (fund balance and governmental fund definitions). More information on the conference, including links to the agenda and a registration form, will be available soon on the State Auditor web site.

3. Update: Status of 2011 Tax Tables

The 2011 Tax Tables that CTAS users need are not yet available. Once Congress passes a tax bill, they should be published. Once they are published, they will be announced in the E-Update.

4. Released: Relevant Statutes Summary for Volunteer Relief Associations

An updated version of the Selected Relevant Statutes Summary for Volunteer Fire Relief Associations is now available. The summary can be used in conjunction with the statutes booklet prepared annually by the Pension Division. The booklet contains many of the state laws applicable to relief associations, and the summary provides a short, easy-to-read companion. The booklet and summary can be accessed at:

<http://www.auditor.state.mn.us/default.aspx?page=20070105.001>.

5. Avoiding Pitfalls: Documentation of Accounting Policies and Procedures

All local units of government should document their accounting policies and procedures. This documentation is traditionally maintained in a written policy statement or manual which spells out the accounting policies and procedures that make up the entity's internal control system. The detail and complexity of the documentation will depend on the size of the entity.

The documentation should:

- Describe the procedures as they are intended to be performed;
- Indicate which employees are to perform which procedures; and
- Explain the design and purpose of control-related procedures to increase employee understanding and support for controls.

The written accounting policies and procedures will:

- Enhance employees' understanding of their role and function in the internal control system;
- Establish responsibilities;
- Provide guidance for employees;
- Improve efficiency and consistency of transaction processing;
- Improve compliance with established policies;
- Help prevent deterioration of key elements in the entity's internal control system;
- Maintain consistency in procedures from year to year and during employee transitions; and
- Help decrease circumvention of the entity's policies.

The written documentation of accounting policies and procedures should be prepared by appropriate levels of management. It should be approved by the entity's governing body to emphasize its importance and authority. To be effective, the written documentation should be shared with all employees. Entities may want to ask employees to sign a form acknowledging

receipt of the policy or manual and agreeing to adhere to the policies contained in the policy or manual.

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The Office of the State Auditor is located at 525 Park Street, Suite 500, St. Paul, MN 55103.
Phone: (651) 296-2551 or (800) 627-3529 (TTY) Fax: (651) 296-4755.
Web: www.auditor.state.mn.us.